



July 5, 1983

MEMORANDUM FOR: SECRETARY OF STATE
SECRETARY OF DEFENSE
SECRETARY OF TREASURY
ASSISTANT TO THE PRESIDENT FOR NATIONAL
SECURITY AFFAIRS
DIRECTOR OF CENTRAL INTELLIGENCE
CHAIRMAN OF THE JOINT CHIEFS OF STAFF

SUBJECT: Meeting of the Export Administration Review
Board (EARB), July 5, 4:00 p.m., in the
Secretary's Conference Room

I will be convening a meeting of the Export Administration Review Board on July 5. The meeting topic is the Daedalus Enterprises, Inc., export licensing cases for Romania. These two export license applications involve an airborne multispectral scanning system (MSS)

We must decide whether to approve these national security related license applications or refer them to the President for decision. A background paper on the Daedalus cases is attached.

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Attendance should be limited to participants plus two. Please confirm your participation with Helen Robbins at 377-5283.

Secretary of Commerce

Attachment

Not referred to DOC. Waiver applies.

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EXPORT LICENSING CASES:
DAEDALUS ENTERPRISES, INC.

EARB BRIEFING PAPER

INTRODUCTION

At the April 25, 1983 EARB meeting, the issue of two pending license applications by Daedalus, Inc., for the export to the Romanian Commission for Space Activities of equipment used for remote sensing of natural resources was raised but not discussed. These cases were escalated to the Board after nearly two years of inconclusive lower level interagency discussions. The inability of the interagency structure to dispose of these cases results in part from a disagreement over the interpretation of the President's differentiated export policy toward Eastern Europe established by National Security Decision Directive (NSDD)-54 (Attachment 1) and in part from a disagreement over the strategic significance of this equipment.

These cases are now the subject of litigation in which the U.S. District Court, District of Columbia, found that the Department of Commerce failed to comply with the processing and notification requirements of the Export Administration Act (EAA) when it did not decide the cases in a timely manner. As the result of this legal action, the Department of Commerce is required to take action on the Daedalus cases by July 6, 1983, i.e., the cases must either be:

1. Decided by the Department of Commerce if all agencies agree on these applications; or
2. Submitted to the President for his decision.

DAEDALUS CASES

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